Canada

Prince Edward Island

CANADA-PRINCE EDWARD ISLAND
FOREST RESOURCE DEVELOPMENT AGREEMENT

CANADA - PRINCE EDWARD ISLAND
FOREST RESOURCE DEVELOPMENT AGREEMENT

AMENDMENT NO. 1

THIS AMENDMENT made this day of , 1984.

BETWEEN: THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented herein by the Minister of the Environment

OF THE FIRST PART,

AND: THE GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND (hereinafter referred to as "the Province"), represented by the Minister of Energy and Forestry

OF THE SECOND PART,

WHEREAS the parties did on the 29th day of July, 1983, enter into an agreement entitled "Canada/Prince Edward Island Forest Resource Development Agreement", hereinafter referred to as the Forest Resource Development Agreement;

AND WHEREAS the parties are desirous of amending the said Forest Resource Development Agreement.

THEREFORE, the Forest Resource Development Agreement is amended as follows:

AMEND	**AMENDMENT**
Page 1	
Delete:	Add:
	WHEREAS Canada and the Province signed an Economic and Regional Development Agreement dated , 1984, (hereinafter referred

	to as "the ERDA") to achieve the objectives stated in Section 3 thereof:
Delete:	Add:
	AND WHEREAS in pursuit of these objectives, Canada and the Province intend to cooperate in the implementation of appropriate federal and provincial measures for the economic and regional development of the Province;
Delete:	Add:
WHEREAS Canada and the Province recognize that the forest resource is presently an under-developed opportunity in the Provincial economy	AND WHEREAS Canada and the Province recognize that the forest resource is presently an underdeveloped opportunity in the provincial economy.

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Delete:	Add:
2.1 (a) The general objective of this Agree-ment is to maximize the economic benefits to pro-vincial residents which are attainable from the forest resources of Prince Edward Island.	2.1 (a) Pursuant to Section 3 of the ERDA, the general objective of this Agreement is to maximize the economic benefits to provincial residents which are attain-able from the forest resources of Prince Edward Island.

IN WITNESS WHEREOF this Amendment has been executed on behalf of Canada by the Minister of the Environment and on behalf of the Province of Prince Edward Island by the Minister of Energy and Forestry, the day and year in this Amendment first herein written.

IN THE PRESENCE OF:

GOVERNMENT OF CANADA

_____
Witness

_____
Minister of the Environment

GOVERNMENT OF THE PROVINCE OF PRINCE EDWARD ISLAND

_____
Witness

_____
Minister of Energy & Forestry

_____
Witness

_____
Premier and President of the Executive Council

NEWS BACKGROUNDER

The Canada/PEI 1983-88 Forest Resource Development Agreement

1. Overall Objective

The overall objective is to maximize the economic benefits to provincial residents which are attainable from the forest resources of Prince Edward Island. Federal contributions may be for the purposes of (i) improving the forest resource of the province; (ii) increasing the harvest of fuelwood by better forest management practices; and (iii) improving and intensifying forest management practices, thereby increasing employment in the forest resource sector.

The agreement is for a term of five (5) years ending March 31, 1988 and is valued at $20.144 million total.

2. Background

Prince Edward Island comprises a land area of 575,000 hectares of which 48 percent is forested. Ninty-five percent of the forest is productive and ninty percent is privately owned by about 16,000 individuals. This large private ownership has hindered effective forest management.

Though fire and land clearing contributed significantly to the depletion of the Island's virgin forest, large-scale removal of the Province's forest cover really began during the nineteenth century shipbuilding era. The shipbuilding industry took the best of all species and the undesirable species were left behind. These provided the seed source for the next generation of trees whose poor quality contributed to the demise of the forest industry in the first part of this century.

3. PEI's Forests

The forests of the province contain an estimated 20.9 million m^3 and the annual harvest now reaches 333,600 m^3. This exceeds the annual allowable cut by 23,600 m^3 It is forecasted that the increased use of wood for fuel and construction will result in an increased harvest over a static allowable cut unless intensive forest management is undertaken.

4. Past Forestry Initiatives

The provincial government undertook a program of forest renewal with the creation of the Forestry Division of the Department of Industry and Resources in 1951. In 1952, the province entered into a Forestry Agreement with the federal government for a 50:50 cost-shared program of reforestation.

In 1969, a fifteen-year Comprehensive Development Plan for the social and economic advancement of the province was initiated and a long-range forestry plan, on a 90:10 federal/provincial basis, formed part of this program. Seedling production facilities were upgraded and new greenhouses were constructed. A private land management assistance program was launched in 1980 to foster more interest in forest management on private lands. Much effort has also been spent on improving Crown lands through reforestation and the construction of access roads. A tree improvement program was begun and work continues on the production of genetically superior seed for the reforestation program.

The redevelopment of the forest industry requires a long-term commitment to the improvement of the resource base. The momentum is building, and this Forest Resource Development Agreement has the potential to make significant improvements both to employment and revenue.

The employment and income opportunities available in the forest industry are significant and practical. The structural constraints and problems can be overcome to promote a strong, efficient and competitive production, processing and marketing system for forest products.

5. The New Forestry Agreement's Programs

The programs and projects described in the PEI Forest Resource Development Agreement are designed to achieve the objectives in the most efficient and effective manner as follows:

Private land management - directly delivered by the Canadian Forestry Service, is directed toward improving the rate of growth and the quality of existing timber stands through forest management. Funds will be provided for thinning, site preparation, planting, stand reclamation, boundary line identification and road construction.

Crown land management - implemented by the province and cost shared by Canada, is directed towards stand improvement for sawlogs. Activities under this program will include site preparation, planting, plantation maintenance, stand improvement, access road construction, cone and seed collection and management of seed production areas.

Forest development - programs are designed to ensure that the forest resources on the Island are utilized and developed in an orderly manner; and to increase public awareness of forestry and encourage woodlot owners to assume an active role in the management of their resource through training, education and advertising.

Administration - general administration

6. Funding

The total cost of the five year Agreement is $20.144 million of which the federal government's contribution is $13.688 million (68%) and the province's is $6.456 million (32%). The federal direct delivery of the private land forest management program will cost $4.494 million. The cost-sharing ratio of programs eligible for cost-sharing totals $10.448 million shared, by the federal government up to a maximum of $9.194 million (88%), and by the province up to a maximum of $1.254 million (12%). In addition, the province will be funding the estimated cost of $5.202 million of the provincial permanent staff to administer and implement the agreement.